3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-051; C-570-052]

Certain Hardwood Plywood Products from the People's Republic of China: Final Results of Changed Circumstances Reviews, and Revocation of the Antidumping and Countervailing Duty Orders in Part

AGENCY: Enforcement and Compliance International Trade Administration, Department of

Commerce.

SUMMARY: The Department of Commerce (Commerce) is revoking, in part, the antidumping duty (AD) and countervailing duty (CVD) orders on certain hardwood plywood products (hardwood plywood) from the People's Republic of China (China) with respect to certain finished laminated veneer lumber (LVL) door stiles and rails.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Nicolas Mayora, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3053.

SUPPLEMENTARY INFORMATION:

Background

On January 4, 2018, Commerce published the AD and CVD orders on hardwood plywood from China.¹ On April 6, 2021, Commerce published the preliminary results of changed circumstances reviews (CCRs) and revocation, in part, of the *Orders*, pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(b), with

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¹ See Certain Hardwood Plywood Products from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value, and Antidumping Duty Order, 83 FR 504 (January 4, 2018) (AD Order); and Certain Hardwood Plywood Products from the People's Republic of China: Countervailing Duty Order, 83 FR 513 (January 4, 2018) (CVD Order) (collectively, the Orders).

respect to LVL door stiles and rails.² We invited interested parties to comment on the *Preliminary Results*.

On April 14, 2021, we received new factual information from MJB Wood Group LLC (MJB), a U.S. importer of the subject merchandise, which was placed on the record by MJB at Commerce's request.³ On April 20, 2021, Commerce received comments from MJB and the petitioner⁴ in response to the *Preliminary Results*.⁵ On April 27, 2020, we received rebuttal comments from the petitioner.⁶

Final Results of Changed Circumstances Reviews, and Revocation of the Orders, In Part

Because no party submitted comments opposing the *Preliminary Results* of these CCRs, and the record contains no further information or evidence that weighs against the proposed partial revocations, Commerce has determined, pursuant to sections 751(d)(1) and 782(h) of the Act, and 19 CFR 351.222(g), that there are changed circumstances that warrant revocation of the *Orders*, in part. Specifically, in light of the petitioner's statement of lack of interest, and the absence of comments from any interested party addressing the issue of domestic industry support, we find that producers accounting for substantially all of the production of the domestic like product to which the *Orders* pertain lack interest in the relief provided by the *Orders* with respect to LVL door stiles and rails. Accordingly, we are revoking the *Orders*, in part, with respect to certain door stiles and rails made of LVL that have a width not to exceed 50 millimeters, a thickness not to exceed 50 millimeters, and a length of less than 2,450 millimeters. The scope description below includes this exclusion language.

² See Certain Hardwood Plywood Products from the People's Republic of China: Preliminary Results of Changed Circumstances Reviews, and Consideration of Revocation of the Antidumping and Countervailing Duty Orders in Part, 86 FR 17774 (April 6, 2021) (Preliminary Results).

³ See MJB's Letter, "Changed Circumstances Reviews of Hardwood Plywood Products from the People's Republic of China: New Factual Information," dated April 14, 2021 (MJB's NFI Letter).

⁴ The petitioner is the Coalition for Fair Trade in Hardwood Plywood.

⁵ See MJB's Letter, "Changed Circumstances Reviews of Hardwood Plywood Products from the People's Republic of China: Case Brief on Preliminary Results," dated April 20, 2021 (MJB's Comments); see also Petitioner's Letter, "Hardwood Plywood Products from the People's Republic of China: Comments in Response to the Department's Preliminary Results," dated April 20, 2021 (Petitioner's Comments).

⁶ See Petitioner's Letter, "Hardwood Plywood Products from the People's Republic of China: Rebuttal Comments," dated April 27, 2021.

Scope of the *Orders*

The merchandise subject to these *Orders* is hardwood and decorative plywood, and certain veneered panels as described below. For purposes of this proceeding, hardwood and decorative plywood is defined as a generally flat, multilayered plywood or other veneered panel, consisting of two or more layers or plies of wood veneers and a core, with the face and/or back veneer made of non-coniferous wood (hardwood) or bamboo. The veneers, along with the core may be glued or otherwise bonded together. Hardwood and decorative plywood may include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2016 (including any revisions to that standard).

For purposes of this proceeding a "veneer" is a slice of wood regardless of thickness which is cut, sliced or sawed from a log, bolt, or flitch. The face and back veneers are the outermost veneer of wood on either side of the core irrespective of additional surface coatings or covers as described below.

The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to hardwood, softwood, particleboard, or medium-density fiberboard (MDF).

All hardwood plywood is included within the scope of these *Orders* regardless of whether or not the face and/or back veneers are surface coated or covered and whether or not such surface coating(s) or covers obscures the grain, textures, or markings of the wood.

Examples of surface coatings and covers include, but are not limited to: ultra violet light cured polyurethanes; oil or oil-modified or water based polyurethanes; wax; epoxy-ester finishes; moisture-cured urethanes; paints; stains; paper; aluminum; high pressure laminate; MDF; medium density overlay (MDO); and phenolic film. Additionally, the face veneer of hardwood plywood may be sanded; smoothed or given a "distressed" appearance through such methods as hand-scraping or wire brushing. All hardwood plywood is included within the scope even if it is

trimmed; cut-to-size; notched; punched; drilled; or has underwent other forms of minor processing.

All hardwood and decorative plywood is included within the scope of these *Orders*, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 mm (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).

Subject merchandise also includes hardwood and decorative plywood that has been further processed in a third country, including but not limited to trimming, cutting, notching, punching, drilling, or any other processing that would not otherwise remove the merchandise from the scope of the *Orders* if performed in the country of manufacture of the in-scope product.

The scope of the Orders excludes the following items: (1) structural plywood (also known as "industrial plywood" or "industrial panels") that is manufactured to meet U.S. Products Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), and which has both a face and a back veneer of coniferous wood; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People's Republic of China, Import Administration, International Trade Administration. See Multilavered Wood Flooring from the People's Republic of China, 76 FR 76690 (December 8. 2011) (amended final determination of sales at less than fair value and antidumping duty order), and Multilavered Wood Flooring from the People's Republic of China, 76 FR 76693 (December 8, 2011) (countervailing duty order), as amended by Multilavered Wood Flooring from the People's Republic of China: Amended Antidumping and Countervailing Duty Orders, 77 FR 5484 (February 3, 2012); (4) multilayered wood flooring with a face veneer of bamboo or composed entirely of bamboo; (5) plywood which has a shape or design other than a flat panel,

with the exception of any minor processing described above; (6) products made entirely from bamboo and adhesives (also known as "solid bamboo"); and (7) Phenolic Film Faced Plyform (PFF), also known as Phenolic Surface Film Plywood (PSF), defined as a panel with an "Exterior" or "Exposure 1" bond classification as is defined by The Engineered Wood Association, having an opaque phenolic film layer with a weight equal to or greater than 90g/m3 permanently bonded on both the face and back veneers and an opaque, moisture resistant coating applied to the edges.

Excluded from the scope of these Orders are wooden furniture goods that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of these Orders is "ready to assemble" (RTA) furniture. RTA furniture is defined as (A) furniture packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes (1) all wooden components (in finished form) required to assemble a finished unit of furniture, (2) all accessory parts (e.g., screws, washers, dowels, nails, handles, knobs, adhesive glues) required to assemble a finished unit of furniture, and (3) instructions providing guidance on the assembly of a finished unit of furniture; (B) unassembled bathroom vanity cabinets, having a space for one or more sinks, that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional component shape/size, painted or stained prior to importation, and stacked within a singled shipping package, except for furniture feet which may be packed and shipped separately; or (C) unassembled bathroom vanity linen closets that are imported with all unassembled hardwood and hardwood plywood components that have been cut-to-final dimensional shape/size, painted or stained prior to importation, and stacked within a single shipping package, except for furniture feet which may be packed and shipped separately.

Excluded from the scope of these *Orders* are kitchen cabinets that, at the time of importation, are fully assembled and are ready for their intended uses. Also excluded from the scope of these *Orders* are RTA kitchen cabinets. RTA kitchen cabinets are defined as kitchen

cabinets packaged for sale for ultimate purchase by an end-user that, at the time of importation, includes (1) all wooden components (in finished form) required to assemble a finished unit of cabinetry, (2) all accessory parts (*e.g.*, screws, washers, dowels, nails, handles, knobs, hooks, adhesive glues) required to assemble a finished unit of cabinetry, and (3) instructions providing guidance on the assembly of a finished unit of cabinetry.

Excluded from the scope of these *Orders* are finished table tops, which are table tops imported in finished form with pre-cut or drilled openings to attach the underframe or legs. The table tops are ready for use at the time of import and require no further finishing or processing.

Excluded from the scope of these *Orders* are finished countertops that are imported in finished form and require no further finishing or manufacturing.

Excluded from the scope of these *Orders* are laminated veneer lumber (LVL) door and window components with (1) a maximum width of 44 millimeters, a thickness from 30 millimeters to 72 millimeters, and a length of less than 2413 millimeters (2) water boiling point exterior adhesive, (3) a modulus of elasticity of 1,500,000 pounds per square inch or higher, (4) finger-jointed or lap-jointed core veneer with all layers oriented so that the grain is running parallel or with no more than 3 dispersed layers of veneer oriented with the grain running perpendicular to the other layers; and (5) top layer machined with a curved edge and one or more profile channels throughout.

Excluded from the scope of these *Orders* are certain door stiles and rails made of LVL that have a width not to exceed 50 millimeters, a thickness not to exceed 50 millimeters, and a length of less than 2,450 millimeters.

Imports of hardwood plywood are primarily entered under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.0620; 4412.31.0640; 4412.31.0660; 4412.31.2510; 4412.31.2520; 4412.31.2610; 4412.31.2620; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4075; 4412.31.4080; 4412.31.4140; 4412.31.4150; 4412.31.4160; 4412.31.4180;

4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.5235; 4412.31.5255; 4412.31.5265; 4412.31.5275; 4412.31.6000; 4412.31.6100; 4412.31.9100; 4412.31.9200; 4412.32.0520; 4412.32.0540; 4412.32.0565; 4412.32.0570; 4412.32.0620; 4412.32.0640; 4412.32.0670; 4412.32.2510; 4412.32.2525; 4412.32.2530; 4412.32.2610; 4412.32.2630; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.3235; 4412.32.3255; 4412.32.3255; 4412.32.3275; 4412.32.3285; 4412.32.5600; 4412.32.3235; 4412.32.3255; 4412.32.3265; 4412.32.3275; 4412.32.3285; 4412.32.5700; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3141; 4412.94.3161; 4412.94.3175; 4412.94.4100; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5115; and 4412.99.5710.

Imports of hardwood plywood may also enter under HTSUS subheadings 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.10.9000; 4412.94.5100; 4412.94.9500; and 4412.99.9500. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these *Orders* is dispositive.

Application of the Final Results of These Reviews

MJB and the petitioner have requested retroactive application of the final results of these reviews starting April 25, 2017, for the purposes of the *CVD Order*, and June 23, 2017, for purposes of the *AD Order*, i.e., the dates that the preliminary determinations in the AD and CVD investigations published in the *Federal Register*. Section 751(d)(3) of the Act provides that "{a} determination under this section to revoke an order...shall apply with respect to unliquidated entries of the subject merchandise which are entered, or withdrawn from warehouse, for consumption on or after the date determined by the administering authority." Consistently, Commerce's general practice is to instruct the U.S. Customs and Border Protection

⁷ See MJB's Comments at 2 and Petitioner's Comments at 2.

(CBP) to liquidate without regard to AD and CVD duties, and to refund any estimated deposits of those duties, on all unliquidated entries of the merchandise covered by a revocation that are not covered by the final results of an administrative review or automatic liquidation.⁸

However, Commerce has exercised its discretion and deviated from this general practice if the particular facts of the case have implications for the effective date of the partial revocation selected by Commerce. Specifically, when selecting the effective date for the partial revocation, Commerce has considered factors such as the effective date proposed by the petitioner (and/or the effective date agreed to by all parties), the existence of unliquidated entries dating back to the requested effective date, whether an interested party requested the effective date of the revocation, and whether the requested effective date creates potential administrability issues (e.g., the products covered by the partial revocation are in the sales database used in the dumping margin calculations for a completed administrative review with a period of review that overlaps with date requested).

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⁸ See, e.g., Certain Pasta from Italy: Final Results of Countervailing Duty Changed Circumstances Review and Revocation, In Part, 76 FR 27634 (May 12, 2011); Stainless Steel Bar from the United Kingdom: Notice of Final Results of Changed Circumstances Review and Revocation of Order, in Part, 72 FR 65706 (November 23, 2007); Notice of Final Results of Antidumping Duty Changed Circumstances Review and Revocation of Order In Part: Certain Corrosion-Resistant Carbon Steel Flat Products from Germany, 71 FR 66163 (November 13, 2006); Notice of Final Results of Antidumping Duty Changed Circumstances Reviews and Revocation of Orders in Part: Certain Corrosion-Resistant Carbon Steel Flat Products from Canada and Germany, 71 FR 14498 (March 22, 2006); and Notice of Final Results of Antidumping Duty Changed Circumstances Review, and Determination to Revoke Order in Part: Certain Cased Pencils from the People's Republic of China, 68 FR 62428 (November 4, 2003).

⁹ See section 751(d)(3) of the Act; and Itochu Building Products v. United States, 2014 WL 1363999, at *6 (CIT April 8, 2014) (Itochu Bldg. Prod) ("The statutory provision, as discussed above, provides Commerce with discretion in the selection of the effective date for a partial revocation following a changed circumstances review, but that discretion may not be exercised arbitrarily so as to decide the question presented without considering the relevant and competing considerations").

¹⁰ See, e.g., Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Final Results of Changed Circumstances Review, 68 FR 64079 (November 12, 2003); and Stainless Steel Hollow Products from Sweden; Termination of Antidumping Duty Administrative Reviews, Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation In Part of Antidumping Duty Order, 60 FR 42529 (August 16, 1995).

¹¹ See Steel Wire Garment Hangers from the People's Republic of China: Final Results of Changed Circumstances Review, and Revocation in Part of Antidumping Duty Order, 74 FR 50956 (October 2, 2009); Notice of Final Results of Antidumping Duty Changed Circumstances Review, and Determination To Revoke Order in Part; Certain Cased Pencils from the People's Republic of China, 71 FR 13352 (March 15, 2006); and Stainless Steel Sheet and Strip in Coils from Japan: Final Results of Changed Circumstance Antidumping Duty Review, and Determination To Revoke Order in Part), 65 FR 77578 (December 12, 2000).

¹² See Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Japan: Final Results of Changed Circumstances Antidumping Duty Administrative Review and Intent To Revoke Antidumping Duty Order, In Part, 64 FR 72315 (December 27, 1999).

¹³ See Itochu Bldg. Prods., 2014 WL 1363999, at*6.

The petitioner and MJB requested retroactive application of the final results of these reviews starting April 25, 2017, for purposes of the *CVD Order*, and June 23, 2017, for purposes of the *AD Order*. Both parties note that they are not aware of any unliquidated entries or pending administrative reviews that would complicate Commerce's implementation of the revocations. The petitioner also states that it is not aware of any policy or legal considerations that would bar Commerce from selecting the full revocation dates, as requested. The petitioner and MJB further claim that not implementing the effective dates of the CCRs as requested would cause unnecessary harm to MJB. No other parties commented in response to the request for public comment on the effective revocation dates in the *Initiation Notice* or in our *Preliminary Results*. Results.

We find, based on the facts in this case, that it is appropriate to apply these partial revocations retroactively to unliquidated entries that were entered or withdrawn from warehouse, for consumption, on or after April 25, 2017, for the *CVD Order*, and June 23, 2017, for the *AD Order*, *i.e.*, the effective dates of the preliminary determinations in the AD and CVD investigations. We have determined based on the available information that there are no administrability concerns with using the effective dates as requested by the petitioner and MJB. Commerce is also not currently aware of any unliquidated entries that would complicate Commerce's implementation of these revocations. Accordingly, we are exercising our discretion, based on the particular circumstances in these CCRs, to make the effective dates of these CCRs April 25, 2017, for the purposes of the *CVD Order* and June 23, 2017, for the purposes of the *AD Order*.

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¹⁴ See Petitioner's Comments at 1 and MJB's Comments at 2.

¹⁵ See Petitioner's Comments at 2; see also MJB's Comments at 4; and MJB's NFI Letter at 4.

¹⁶ See Petitioner's Comments at 3.

¹⁷ See Petitioner's Comments at 2; see also MJB's Comments at 4; and MJB's NFI Letter at 4.

¹⁸ See Certain Hardwood Plywood Products from the People's Republic of China: Initiation of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews, 86 FR 8766 (February 9, 2021) (Initiation Notice) (requesting interested parties to comment on these CCRs, including "comments on industry support, the proposed partial revocation language, and whether any of their entries are covered by this revocation request but enjoined from liquidation due to an injunction issued in ongoing litigation"); see also Preliminary Results, 86 FR at 17775-76 (stating, inter alia, that no interested party notified Commerce of any unliquidated entries that are covered by the revocation request but enjoined from liquidation due to an injunction issued in ongoing litigation).

Instructions to CBP

Because we determine that there are changed circumstances that warrant the revocation of the *Orders*, in part, we will instruct CBP to liquidate without regard to AD and CVD duties, and to refund any estimated AD and CVD duties, on all unliquidated entries of the merchandise covered by these partial revocations effective April 25, 2017, for purposes of the *CVD Order* and June 23, 2017, for purposes of the *AD Order*. Consistent with its recent notice, ¹⁹ Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of these final results in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Notification to Interested Parties

This notice serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of the APO is a sanctionable violation.

¹⁹ See Notice of Discontinuation of Policy to Issue Liquidation Instructions After 15 Days in Applicable Antidumping and Countervailing Duly Administrative Proceedings, 86 FR 3995 (January 15, 2021).

We are issuing and publishing these final results and revocation, in part, and notice in accordance with sections 751(b) and 777(i) of the Act and 19 CFR 351.216, 19 CFR 351.222(c)(3), and 19 CFR 351.222.

Dated: May 25, 2021.

Christian Marsh, Acting Assistant Secretary for Enforcement and Compliance.

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